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FISCAL IMPACT STATEMENT

LS 7293

BILL NUMBER: HB 1321

NOTE PREPARED: Feb 18, 2013

BILL AMENDED: Feb 18, 2013

SUBJECT: Insurance Matters.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill amends various provisions of the insurance law concerning:

- (1) confidentiality related to examinations;
- (2) reserve valuation of life, annuity, and endowment contracts;
- (3) motor vehicle insurance with respect to a newly acquired motor vehicle;
- (4) sales of travel insurance by travel retailers under a limited lines travel insurance producer license;
- (5) continuing education for certain insurance producers;
- (6) remedies for violations related to the sale, solicitation, or negotiation of portable electronics insurance;
- (7) risk-based capital requirement application to fraternal benefit societies;
- (8) confidentiality, privilege, disclosure, and discoverability of certain risk-based capital-related information filed with the Commissioner of the Department of Insurance;
- (9) residency and coverage requirements applying to the Indiana Life and Health Guaranty Association.

The bill also (1) repeals current law concerning reserve valuation of life, annuity, and endowment contracts and (2) makes conforming amendments.

Effective Date: July 1, 2013.

Explanation of State Expenditures: This bill will increase the workload of the Department of Insurance (DOI) to implement provisions of the standard valuation law. The DOI reports implementing these provisions of the bill can be performed with existing staffing and resource levels.

The bill also amends coverage amounts the Indiana Insurance Guaranty Association (IIGA) provides if an insurer is found to be insolvent and ordered into liquidation by a court. Because the IIGA is not a state entity, enacting legislation that impacts the IIGA is expected to have no fiscal impact to the state.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Logan Harrison, DOI.

Fiscal Analyst: Bill Brumbach, 232-9559.